

**TOWN OF JONESVILLE MUNICIPAL COURT
JONESVILLE, SOUTH CAROLINA**

STATE AUDITOR'S REPORT

JUNE 30, 2012

CONTENTS

| | <u>PAGE</u> |
|--|-------------|
| I. INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES | 1 |
| II. ACCOUNTANT'S COMMENTS | |
| VIOLATIONS OF STATE LAWS, RULES OR REGULATIONS | 4 |
| REMITTANCE OF ASSESSMENTS AND SURCHARGES | 5 |
| 107.5% Assessment | 5 |
| Conviction Surcharge | 5 |
| Law Enforcement Funding Surcharge | 6 |
| Criminal Justice Academy Surcharge | 6 |
| Recommendation | 7 |
| TIMELY SUBMISSION OF STATE TREASURER'S REVENUE REMITTANCE FORM | 7 |
| ACCURATE REPORTING | 8 |
| SUPPLEMENTARY SCHEDULE | 9 |
| ATTACHMENT 1 | |
| Schedule of Court Fines and Fees Over/(Under) Reported | 10 |
| TOWN'S RESPONSE | 11 |

State of South Carolina



Office of the State Auditor

1401 MAIN STREET, SUITE 1200
COLUMBIA, S.C. 29201

RICHARD H. GILBERT, JR., CPA
DEPUTY STATE AUDITOR

(803) 253-4160
FAX (803) 343-0723

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

March 12, 2013

The Honorable Nikki R. Haley, Governor
State of South Carolina
Columbia, South Carolina

The Honorable Calvin L. Payton, Municipal Judge
Town of Jonesville Municipal Court
Jonesville, South Carolina

Ms. April Smith, Town Clerk
Town of Jonesville
Jonesville, South Carolina

We have performed the procedures described below, which were agreed to by the Town of Jonesville and the Town of Jonesville Municipal Court, solely to assist you in evaluating the performance of the Town of Jonesville Municipal Court for the twelve month period ending June 30, 2012, in the areas addressed. The Town of Jonesville and the Town of Jonesville Municipal Court are responsible for its financial records, internal controls and compliance with State laws and regulations. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Town of Jonesville and the Town of Jonesville Municipal Court. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

1. Clerk of Court

- We gained an understanding of the policies and procedures established by the Clerk of Court to ensure proper accounting for all fines, fees, assessments, surcharges, forfeitures, escheatments, or other monetary penalties.
- We obtained certain judgmentally selected Jonesville Municipal Court dockets from the Clerk of Court. We randomly selected twenty-five cases from the court dockets and recalculated the fine, fee, assessment and surcharge calculation to ensure that the fine, fee, assessment or surcharge was properly allocated in accordance with applicable State law. We also determined whether the fine, fee, assessment and/or surcharge adhered to State law and to the South Carolina Court Administration fee memoranda.

The Honorable Nikki R. Haley, Governor
and
The Honorable Calvin L. Payton, Municipal Judge
Ms. April Smith, Town Clerk
Town of Jonesville
March 12, 2013

Our findings as a result of these procedures are presented in Remittance of Assessments and Surcharges in the Accountant's Comments section of this report.

2. **Town Treasurer**

- We gained an understanding of the policies and procedures established by the Town to ensure proper accounting for court fines, fees, assessments, surcharges, forfeitures, escheatments, or other monetary penalties.
- We obtained copies of all State Treasurer's Revenue Remittance Forms submitted by the Town for the twelve month period ending June 30, 2012. We agreed the line item amounts reported on the State Treasurer's Revenue Remittance Forms to the court cash receipt records and to the State Treasurer's receipts. We also agreed the total revenue due to the State Treasurer to the general ledger.
- We determined if the State Treasurer's Revenue Remittance Forms were submitted in a timely manner to the State Treasurer in accordance with State law.
- We verified that the amounts reported by the Town on its supplemental schedule of fines and assessments for the fiscal year ended May 31, 2012, agreed to the State Treasurer's Revenue Remittance Forms and to the Town's general ledger. We also determined if the supplemental schedule of fines and assessments contained all required elements in accordance with State law.

Our findings as a result of these procedures are presented in Timely Submission of State Treasurer's Revenue Remittance Form, Accurate Reporting, and Supplementary Schedule in the Accountant's Comments section of this report.

3. **Victim Assistance**

- We gained an understanding of the policies and procedures established by the Town to ensure proper accounting for victim assistance funds.
- We made inquiries and performed substantive procedures to determine if any funds retained by the Town for victim assistance were accounted for in a separate account.
- We tested victim assistance expenditures to ensure that the Town expended victim assistance funds in accordance with State law and South Carolina Court Administration Fee Memoranda, Attachment L.
- We determined if the Town reported victim assistance financial activity on the supplemental schedule of fines and assessments in accordance with State law.
- We inspected the Town's general ledger to determine if the Victim Assistance Fund balance was retained as of July 1 from the previous fiscal year in accordance with State law.

We found no exceptions as a result of the procedures.

The Honorable Nikki R. Haley, Governor
and
The Honorable Calvin L. Payton, Municipal Judge
Ms. April Smith, Town Clerk
Town of Jonesville
March 12, 2013

4. **Calculation of Over/(Under) Reported Amounts**

- We prepared a schedule of fines, fees, assessments and surcharges for the Town for the 36 months ended June 30, 2012 using the Court's cash receipts records. We compared amounts from this schedule to amounts reported on the State Treasurer's Revenue Remittance Forms and calculated the amount over/(under) reported by the Town by category.

The results of our procedures disclosed that the Town had over reported amounts due to the State and under reported amounts due to the Victim Assistance fund. See Attachment 1 in the Accountant's Comments section of this report for further detail.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on compliance with the collection and distribution of court generated revenue at any level of court for the twelve month period ending June 30, 2012, and, furthermore, we were not engaged to express an opinion on the effectiveness of internal controls over compliance with the laws, rules and regulations described in paragraph one and the procedures of this report. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Governor, Chairman of the House Ways and Means Committee, Chairman of the Senate Finance Committee, Chairman of the House Judiciary Committee, Chairman of the Senate Judiciary Committee, members of the Town of Jonesville Town Council, Town of Jonesville Municipal Judge, Town of Jonesville Clerk, Town of Jonesville Clerk of Court, State Treasurer, State Office of Victim Assistance, and the Chief Justice and is not intended to be and should not be used by anyone other than these specified parties.



Richard H. Gilbert, Jr., CPA
Deputy State Auditor

ACCOUNTANT'S COMMENTS

SECTION A – VIOLATIONS OF STATE LAWS, RULES OR REGULATIONS

Management of the entity is responsible for establishing and maintaining internal controls to ensure compliance with State Laws, Rules or Regulations governing court collections and remittances. The procedures agreed to by the entity require that we plan and perform the engagement to determine whether any violations of State Laws, Rules or Regulations occurred.

The conditions described in this section have been identified as violations of State Laws, Rules or Regulations.

REMITTANCE OF ASSESSMENTS AND SURCHARGES

107.5% Assessment

During our test of Municipal Court collections and remittances, we noted three instances where the Town did not remit the 107.5% assessment on fines as required by State law.

We discussed the finding with the Municipal Judge and he indicated that municipal ordinance violation fines included the applicable State assessments and surcharges. However the Town Clerk stated she was not aware that State assessments and surcharges were applicable to municipal ordinance violations. Therefore, the State's share of the assessment and surcharge was not reported on the monthly STRRF and remitted to the State Treasurer.

Section 14-1-208(A) of the 1976 South Carolina Code of Laws, as amended, states, "A person who is convicted of, or pleads guilty or nolo contendere to, or forfeits bond for an offense occurring after June 30, 2008, tried in municipal court must pay an amount equal to 107.5 percent of the fine imposed as an assessment. The assessment is based upon that portion of the fine that is not suspended, and assessments must not be waived, reduced, or suspended."

Conviction Surcharge

During our test of Municipal Court collections and remittances, we noted four instances where the Town did not retain the required \$25 conviction surcharge for victims' services.

We discussed the finding with the Municipal Judge and he indicated that municipal ordinance violation fines included the applicable State assessments and surcharges. However the Town Clerk stated she was not aware that State assessments and surcharges were applicable to municipal ordinance violations. Therefore, the State's share of the assessment and surcharge was not reported on the monthly STRRF and remitted to the State Treasurer.

Section 14-1-211 (A)(1) of the 1976 South Carolina Code of Laws, as amended, states, "In addition to all other assessments and surcharges...a twenty-five dollar surcharge is imposed on all convictions obtained in magistrates and municipal courts in this State. No portion of the surcharge may be waived, reduced, or suspended."

Law Enforcement Funding Surcharge

During our test of Municipal Court collections and remittances, we noted three instances where the Town did not remit the \$25 law enforcement funding surcharge.

We discussed the finding with the Municipal Judge and he indicated that municipal ordinance violation fines included the applicable State assessments and surcharges. However the Town Clerk stated she was not aware that State assessments and surcharges were applicable to municipal ordinance violations. Therefore, the State's share of the assessment and surcharge was not reported on the monthly STRRF and remitted to the State Treasurer.

Section 14-1-212 (A) of the 1976 South Carolina Code of Laws, as amended, states, "In addition to all other assessments and surcharges, a twenty-five dollar surcharge is imposed on all fines, forfeitures, escheatments, or other monetary penalties imposed in the general sessions court or in magistrates or municipal court for misdemeanor traffic offenses or for nontraffic violations."

Criminal Justice Academy Surcharge

During our test of Municipal Court collections and remittances, we noted three instances where the Town did not remit the \$5 criminal justice academy surcharge.

We discussed the finding with the Municipal Judge and he indicated that municipal ordinance violation fines included the applicable State assessments and surcharges. However the Town Clerk stated she was not aware that State assessments and surcharges

were applicable to municipal ordinance violations. Therefore, the State's share of the assessment and surcharge was not reported on the monthly STRRF and remitted to the State Treasurer.

Proviso 90.5 of the 2011-2012 Appropriations Act states, "In addition to all other assessments and surcharges, during the current fiscal year, a five dollar surcharge to fund training at the South Carolina Criminal Justice Academy is also levied on all fines, forfeitures, escheatments, or other monetary penalties imposed in the general sessions court or in magistrates' or municipal court for misdemeanor traffic offenses or for nontraffic violations. No portion of the surcharge may be waived, reduced, or suspended."

Recommendation

We recommend the Town implement procedures to ensure assessments and surcharges are imposed in accordance with applicable State law.

TIMELY SUBMISSION OF STATE TREASURER'S REVENUE REMITTANCE FORM

During our testing of the Town's State Treasurer Revenue Remittance Forms (STRRF), we noted one of twelve STRRF was not submitted to the State Treasurer by the fifteenth day of the month as required by State law. The form was submitted twenty-four days late.

The Town Clerk stated the late submission was an oversight.

Section 14-1-208(B) of the 1976 South Carolina Code of Laws, as amended, requires the Town to remit the balance of the assessment revenue to the State Treasurer on a monthly basis by the fifteenth day of each month and make reports on a form and in a manner prescribed by the State Treasurer.

We recommend the Town implement procedures to ensure the STRRF are submitted by the fifteenth day of each month in compliance with State law.

ACCURATE REPORTING

During our testing of the Town's State Treasurer Revenue Remittance Forms (STRRF), we noted several amounts reported on the STRRF did not agree to the Town's court accounting records; therefore, we prepared a schedule of court fines and fees to determine if the Court over or underreported amounts reported to the State. See Schedule of Court Fines and Fees Over/(Under) Reported (Attachment 1).

The Town does not utilize a court accounting system; therefore, the Town Clerk uses a calculator tape to determine the amounts reported to the State. Based on our review, the Town Clerk incorrectly calculated the 107.5% assessment revenue reported on lines L and N of the STRRF. The Town Clerk stated she began correctly calculating the assessment in June 2012 after the Town's external auditor informed her of the calculation errors. In addition, the Town Clerk stated she inadvertently omitted some tickets from the calculations. She also stated she was not aware that assessments and surcharges should be levied on municipal ordinance violations, which resulted in variances on lines I, J, K, KA and O of the STRRF.

Section 14-1-220 of the 1976 South Carolina Code of Laws, as amended, states, "Each...municipal clerk of court or other person who receives monies from the cost of court assessments in criminal or traffic cases in the municipal courts shall transmit all these monies to the Office of the State Treasurer."

We recommend the Town implement procedures to ensure all court collections are reported and remitted to the State Treasurer in accordance with State law and have been reconciled to accounting records and reviewed for accuracy. We also recommend the Town revise and submit an amended STRRF in accordance with Attachment 1.

SUPPLEMENTARY SCHEDULE

During our testing of the schedule of court fines, assessments and surcharges included in the Town's financial statements for the year ended May 31, 2012, we noted the amount reported for total fines collected and retained on the schedule did not agree to the amounts recorded in the Town general ledger. The schedule reported \$26,491 of total fines collected and retained and the general ledger reported \$47,647. The variance was comprised of fines from municipal ordinance violations.

The Town Clerk stated she was unaware fines from municipal ordinance violations should be included on the supplementary schedule.

Section 14-1-208(E)(1) of the 1976 South Carolina Code of Laws, as amended, states, "The supplementary schedule must include the following elements: (a) all fines collected by the clerk of court for the municipal court; (b) all assessments collected by the clerk of court for the municipal court; (c) the amount of fines retained by the municipal treasurer; (d) the amount of assessments retained by the municipal treasurer; (e) the amount of fines and assessments remitted to the State Treasurer pursuant to this section; and (f) the total funds, by source, allocated to victim services activities, how those funds were expended, and any balances carried forward."

We recommend the Town implement procedures to ensure amounts reported on the supplementary schedule are accurately reported in accordance with State law.

Town of Jonesville Municipal Court
Schedule of Court Fines and Fees Over/(Under) Reported
For the 36 months ended June 30, 2012

Attachment 1

| | Allocation in Accordance with State Law | | | | | | | | | | | | | | | | | | |
|--|---|--|---------------|----------------------|------------------|-----------------------------------|-------------------------|-----------------------|-----------------------|-------------------------|-----------------------------------|---------------------------------|---------------------------------------|---|------------------------------|---|--|---------------------------------------|---|
| | Total Court Collections | Public Defender Application Fee - \$40 | Body Piercing | Marriage License Fee | Bond Estreatment | Boating Under the Influence (BUI) | DUS DPS Pullout - \$100 | DUI Assessment - \$12 | DUI Surcharge - \$100 | DUI DPS Pullout - \$100 | DUI/DUAC Breathalyzer Test - \$25 | Drug Surcharge - \$150 per case | Law Enforc. Surcharge - \$25 Per Case | Criminal Justice Academy Surcharge - \$5 Per Case | Municipal - State Assessment | Municipal Traffic Education Program \$140 Application Fee | Municipal - Victim Services Assessment | Municipal - Victim Services Surcharge | Municipal - Other Victim Services Assessments |
| Total FYE June 2010 | 34,372.53 | - | - | - | - | - | 500.00 | 12.00 | 100.00 | 100.00 | - | 100.00 | 10,325.00 | 2,065.00 | 18,585.79 | | 2,334.74 | 250.00 | - |
| Total FYE June 2011 | 58,620.08 | - | - | - | - | - | 500.00 | - | - | - | - | - | 16,750.00 | 3,350.00 | 33,266.20 | | 4,178.88 | 575.00 | - |
| Total FYE June 2012 | 56,861.18 | - | - | - | - | - | 200.00 | 36.00 | 300.00 | 300.00 | - | 300.00 | 16,575.00 | 3,315.00 | 30,681.04 | | 3,854.14 | 1,300.00 | - |
| Total Court Collections per Cash Receipt Records | 149,853.79 | - | - | - | - | - | 1,200.00 | 48.00 | 400.00 | 400.00 | - | 400.00 | 43,650.00 | 8,730.00 | 82,533.03 | - | 10,367.76 | 2,125.00 | - |
| Remittances per State Treasurer's Revenue Remittance Forms | 143,922.04 | - | - | - | - | - | 1,200.00 | 48.00 | 400.00 | - | - | 200.00 | 39,725.10 | 7,940.00 | 94,408.94 | - | | | |
| Total Retained for Victim Assistance | 9,846.85 | | | | | | | | | | | | | | | | 9,846.85 | | - |
| | <u>(3,915.10)</u> | | | | | | | | | | | | | | | | | | |
| Balance Due From/(Due to) State | 6,561.01 | - | - | - | - | - | - | - | - | (400.00) | - | (200.00) | (3,924.90) | (790.00) | 11,875.91 | - | | | |
| Balance Due From/(Due to) Victim Assistance | (2,645.91) | | | | | | | | | | | | | | | | (520.91) | (2,125.00) | - |
| State Treasurer Revenue Remittance Form Line | | Line A | Line B | Line C | Line D | Line E | Line F | Line G | Line H | Line I | Line IA | Line J | Line K | Line KA | Line L | Line LA | Line N | Line O | Line OA |

TOWN'S RESPONSE

TOWN OF JONESVILLE

P.O. BOX 785

JONESVILLE, SC 29353

PHONE: 674-5746

May 21, 2013

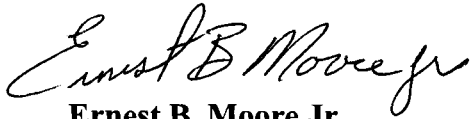
**Mr. Richard H. Gilbert, Jr., CPA
Deputy State Auditor
Office of the State Auditor
1401 Main Street, Suite 1200
Columbia, SC 29201**

Dear Mr. Gilbert:

We have read over the report and we are authorizing the release of the report. We have discussed each issue and addressed the findings. Our Town is very small with only 911 in the town limits, which makes it hard to have the revenue for the computer programs we need for our reports. We have put in for a grant to purchase the Law Trax program to ensure that our report will be more accurate in the future.

We would like to thank Jessica Hunt for being so kind and patience with our clerk during the audit.

Sincerely,



**Ernest B. Moore Jr.
Mayor**

5 copies of this document were published at an estimated printing cost of \$1.49 each, and a total printing cost of \$7.45. Section 1-11-125 of the South Carolina Code of Laws, as amended requires this information on printing costs be added to the document.